

Co-operative Federation of Victoria Ltd

Minutes of the board meeting of 14 February 2002, 1st Floor, 484 William Street, North Melbourne

Present: David Griffiths, Niel Black, Val Ogier, Chris Greenwood, Peter Jamieson, John Luckman and Graeme Charles

Minutes

Resolved that the minutes of the meeting of the 13 December 2001 be approved and signed by the Chairman as a true and accurate record.

Membership Renewal

The Chairman reported that as of 11 February 2002 10 co-operatives (33.333% of 30) had responded and 8 (26.666% of 30) had paid their subscriptions totaling \$1600 (20%) of projected \$8000 subscription income for the remainder of 2002-02.

There was a discussion of the 20 members who as of 11 February 2002 had not renewed their subscriptions and it was agreed that priority would be given to eight co-operatives whose combined subscription income was approximately \$6700:

Australian Venison Co-operative Ltd
Bonlac Foods Limited
Carlton Rental Housing Co-operative Ltd
CEPA Co-operative Ltd
Emerald & District Co-operative Society Ltd
Essendon Rental Housing Co-operative Ltd
Geelong Radio Cabs Co-operative Ltd
San Remo Fishermen's Co-operative Ltd

It was noted that the Chairman would contact the Secretary of Bonlac Foods and report this to Niel Black who would, if necessary, contact some of Bonlac's farmer directors.

It was also noted that the remaining 12 co-operatives would also be followed-up by David Griffiths and Graeme Charles.

Budget

Valerie Ogier expressed concern about the Federation's financial position and that it could face insolvency.

The Chairman said that the situation was not a sudden discovery, that it was recognized by all directors, that the revised budget was based on the need to cut costs and that he had noted the need for cuts to the AGM. He said that estimated subscription income was

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based on subscriptions owed by members who had paid in previous years, based on what was known, that members did not have to pay until the end of the financial year and, therefore, it was reasonable to assume that these subscriptions would still be paid.

The majority of directors pointed out that the Board in preparing budgets had taken calculated risks in a bid to generate increased income by employing the EO for extra hours but that in the short-term this had not generated the necessary income to avoid deficits. It was stressed that this had been a board decision and that the deficits had been accurately reported in the financial statements provided to members in the Annual Reports.

The Chairman pointed out that the board had previously taken action in 1999 to reduce costs by various cost cutting measures including decreasing the EO's hourly rate from \$40 to \$20 because the Federation's budget was, then, in difficulties in balancing income and expenditure. He said that the current budget adopted by the board was based on a surplus but that budget now needed to be revised because kit and workshop income had been below projections.

Resolved to adopt the revised budget for the period 1 January – 30 June 2002 and that it be reviewed progressively on the basis of monthly financial reports received from CPS:

Expenditure	Budget
D & O Insurance	2500
EO salary, superannuation and travel	5900
Secretary hon	1500
Printing & Copying	500
Postage	250
Chairman's expenses	400
Telephone	800
Director & meeting expenses	250
Office requisitions	750
Contingencies	500
TOTAL	\$13,350
Projected Revenue	\$9000
Budgeted deficit	\$4350
Projected cash reserves 30 June 2002	\$8,949

Signatories

Resolved that all directors become signatories to the CFV's CBA bank account with two directors signatures required for cheques and that Graeme Charles be removed as a signatory.

Bookeeping

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Val Ogier said she was concerned about bookkeeping and the provision of monthly financial reports to the board and that the CPS General Manager had offered to voluntarily provide a bookkeeping service including the provision of monthly reports for the balance of the financial year.

Resolved to accept the generous offer of the CPS General Manager to provide a bookkeeping service and provide the board with monthly financial statements until end June 2002 and that the General Manager would liaise with and report through the CFV Chairman and that this arrangement will then be reviewed in June 2002.

GC reported that he supported the arrangement and that he would be able to provide the CPS General Manager with the necessary records next week.

Structural Recommendations

The board considered a number of proposals developed by the Chairman and GC:

Resolved that the registered office be transferred to 71 Franciscan Avenue, Frankston, Victoria 3199 and that it is acknowledged that this will require: (a) notification to the Registrar and members (c) installation of a dedicated fax and telephone line and (c) new letterheads and envelopes to be arranged by the Secretary

The board discussed reduced working hours for Graeme Charles and asked Graeme how he thought about the proposal. He said he thought the board had no alternative.

Resolved that GC's position be reduced to one day per week until June 2002 @ \$150 would reduce the projected budget expenditure by around \$4000.

Resolved that GC be retained until 30 June 2002 when the position will be reviewed.

Resolved that the EO's position be restructured as Manager, Co-operative Development & Training based on a weekly retainer of \$150.

Resolved that the Chairman take over all secretarial and administrative functions of the Federation within the current honorarium.

Resolved that payment of \$1000 of the honorarium due to the Secretary for 2001-02 be deferred until 2002-03 when subscriptions income for 2002-03 is being generated.

Resolved that this year's AGM be held asap once the financial year has been completed.

Resolved that once the financial year has been completed we write to members seeking early payment of anticipated annual subscriptions.

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CBAV Funding

The Chairman reported on a meeting with Anne Hammann (CBAV) on 12 February 2002.

He said that GC was unable to attend.

He said that he had provided CBAV with the first draft of the Co-op Manual and he believed that this was a critical factor in securing the funds. He also noted that a second draft had already been prepared.

He reported that funding of approximately \$14,000 would be made available for the remainder of 2001-02. These funds are for:

- ↳ Co-op Manual
- ↳ VCN
- ↳ CFV brochure

He reported that the funds should be forwarded within three weeks and the tasks to be completed by end June 2002.

He said that CBAV was unwilling at this stage to support follow-up work for co-operative education via kit and workshops. CBAV was not convinced that this would have value and that even if supported the work could be undertaken by June 2002.

While understanding our limited resources, CBAV was concerned of the lateness of our application (December 2001) for 2001-02 and our ability to discharge the funds by June 2002. CBAV was not keen on repeating the habit of carrying-over funds.

CBAV has also requested that if CFV sought funds for 2002-03 that the application be received in April 2002.

There was a brief discussion on the appointment of The Honourable Christine Campbell MP (Pascoe Vale) to Consumer Affairs.

Resolved to write congratulating the Minister on her appointment and requesting the Minister to meet with the board for lunch at a convenient time.

Project Self-Sufficiency

There was a brief discussion on the Project Self-Sufficiency paper developed to provide a basis for any funding submissions prepared by the Federation.

The Funding Options paper was also discussed and it was suggested that the Victorian Government's Community Support Fund and the Geoffrey Gardner Foundation be added as potential funding sources.

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The board discussion covered education and training initiatives including the resource limitations on the follow-up work necessary following publication of the Kit, running effective meetings and leadership development.

Resolved that directors have a week from 14 February 2002 to consider the paper and that silence would be regarded as acquiescence and that directors who had concerns or suggestions for the paper should contact the Chairman within this time period.

Resolved that any subsequent submissions developed by the Chairman for funds would be circulated to directors for comment with a one week deadline for responses.

AGM

There was a brief discussion on the AGM and the majority of directors commented on the success of the meeting.

The Chairman said that the response rate to the AGM survey was very good.

GC reported that Val Ogier's claim at the AGM that her reported attendance record in the Annual Report was inaccurate. He said that he had checked the records and confirmed that she had attended one of six meetings.

Governance

There was a brief discussion on governance and the need for directors dissatisfied with board's decisions to consider their continued directorship and that directors should normally unite behind board decisions.

Correspondence Report

Directors noted the exhaustive detail of the correspondence report.

Resolved that the Correspondence Report be adopted.

Co-opAdvantage Web Site

The Chairman suggested that this item be deferred until the next meeting.

National Federation

There was a brief discussion on the article by Don Kinnersley in National Co-op Update (November/December 2001) on the need to form a national co-operative federation.

It was agreed that the issue merited further discussion and that the NSW Federation would be invited to attend a special board meeting to pursue the issue.

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It was noted by the Chairman that at a minimum this could include joint activities between the N.S.W. and Victorian Federations.

It was agreed that Graeme Charles would contact Don Kinnersley.

European Commission

The Chairman said that the Commission of the European Communities consultation paper on Co-operatives in Enterprise Europe had been circulated to directors because of its contemporary discussion of co-operative issues, detail on co-operative law in Europe and information on co-operative sector market share.

Directors

John Luckman requested that the board be advised which two directors would be subject to re-election at the next AGM. The Chairman said that this information would be circulated with the papers for the next board meeting.

NETCO

Graeme Charles reported that he was presented a workshop to NETCO on the 21 February 2002 – a co-operative of grain marketing co-operatives.

It was agreed that the Kit be offered for sale for \$100 to NETCO members instead of the normal price of \$150 and that Graeme have the discretion to offer a further discount if necessary.

Meetings

It was agreed that North Melbourne was a convenient ongoing venue for meetings but that the next meeting would be at CPS.

Scoping Study

Graeme Charles tabled for the information of the board a scoping report that had been prepared by Socom Response Public Relations.

Warrnambool Co-operative

Niel Black reported that the Warrnambool Co-operative Society had approached the Registry for assistance and was dissatisfied with the response.

YCW Co-operative

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John Luckman reported that YCW had had discussions with the Registry regarding inactive members and might seek the support of the Federation.

Next meeting: 10.30 am, 18 April 2002, Suite 2, Level 2, 420 Burwood Highway, Wantirna South.

Prepared: 14 and 15 February 2002

Mailed: 15 February 2002